

City of New Bedford Scott W. Lang, Mayor

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PRESS RELEASE

Click Here for Written Opinion City Solicitor Rules That The Majority Rules

New Bedford, Massachusetts-After several motions for orders to transfer funds to the city's public safety departments failed to obtain a 2/3 vote of the New Bedford City Council, Mayor Scott W. Lang asked City Solicitor, Irene B. Schall to determine whether a majority vote was sufficient to authorize the transfers thereby closing out fiscal year 2007 with no deficit. The transfer of these funds involved public safety services provided by the City of New Bedford including those supplied to residents by the Police Department and Emergency Medical Services. The successful transfer of these funds also ensures that the City of New Bedford completes fiscal year 2007 in healthy financial condition. Ending the fiscal year with a deficit would have impacted the availability of "free cash" and would have ultimately been reflected in the fiscal year 2008 tax bills.

Today, City Solicitor Irene B. Schall informed the Mayor that Massachusetts General Law requires only a majority vote from the city council on transfers occurring in the last 2 months of any fiscal year. "I have consulted with the Massachusetts Department of Revenue and have been informed that legislation adopted in May of 2006 has allowed cities and towns across the Commonwealth have greater flexibility to make year-end inter-departmental budget transfers," said Attorney Schall.

"The City has worked extremely hard to maintain a stable financial structure. We have safeguarded the taxpayer's money and have brought our fiscal house into order. Our improved financial condition has been acknowledged by the Department of Revenue and Moody's Investment Services reacted positively by upgrading New Bedford's bond rating to an "A3", the first time that city has been in the "A" category in 37 years. This favorable rating alone has saved the city's taxpayers hundreds of thousands of dollars in borrowing costs. I do not want the city to finish fiscal year 2007 in a self-imposed deficit and I am unwilling to compromise either our public safety or our positive financial outlook," said Mayor Scott W. Lang.

As a result of the legal opinion rendered by the Office of the City Solicitor, the following transfers will be executed:

- On June 28, 2007 the New Bedford City Council voted 6 to 5 (by a majority) to transfer \$2,000.00 from Environmental Stewardship to Emergency Medical Services.
- On June 28, 2007 the New Bedford City Council voted 6 to 5 (by a majority) to transfer \$13,000 from Public Facilities to Emergency Medical Services.
- On June 28, 2007 the New Bedford City Council voted 7 to 2 (by a majority) to transfer \$135,000 from General Government Unclassified to Police Salaries and Wages.

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